

Jodi Larson
Special Investigator

RE: Exam No. 20050034080
Customer Complaint by John & Carolyn Kleja

Dear Ms. Larson,

Below and attached is the response you have requested to facilitate the inquiry.

1. The Fund did not engage in any solicitation of potential investors. Investors were referred to the Fund by Secured Clearing Corporation, who had been the primary referring source for a previous fund that shared a similar investment strategy, and who was directly involved in the creation of the Lancorp Fund. Investment advisors with whom they had a previous relationship also referred potential investors. The primary referring advisor was Mr. Robert Reese. An advisor that Mr. Reese worked with by the name of Thomas Bandyk also referred potential investors. Beyond that I cannot remember any other referring advisors.
2. The Lancorp Financial Fund did not make payments to any finders or consultants. I do not have any information as to how or if any finders or consultants were compensated.
3. I called O.N. Equity Sales Company and inquired as to what I needed to do to disclose my activity in the Fund. I spoke to Heather Renfro who indicated that she would find out and provide me with the necessary information. After a period of time I was sent a one page form to complete and return. The date on the form shows May 3, 2004. I did not receive any further communication.
4. Attached is a copy of the form that was completed. Also attached is the only other communication that I received from O.N. Equity Sales Company.
5. Copy of Reg D filing is attached
6. There was no escrow agreement, but an account in the name of the Fund was established to retain the investor funds until the Fund reached the minimum level so that it could become effective. All statements are attached.
7. A copy of all documents received by the Klejas (their entire file) is attached.

Best Regards,

Gary Lancaster

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EXHIBIT

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OTHER BUSINESS DISCLOSURE REPORTING PAGE (U-4)

GENERAL INSTRUCTIONS

This Other Business Disclosure Reporting Page (DRP U-4) is an ☒ INITIAL or ☐ AMENDED response used to report details in support of affirmative responses to section 13 on page 11 of the Form U-4.


13 Are you currently engaged in any other business either as a proprietor, partner, officer, director, employee, trustee, agent or otherwise? (Please exclude non investment-related activity which is exclusively charitable, civic, religious or fraternal and is recognized as tax exempt.)

Please provide the following information relevant to each other business disclosed.

LAST NAME LANCASTER	JR./SR., etc	FIRST NAME GARY	MIDDLE NAME (Specify if none) LYNN
CRD#	SOCIAL SECURITY # 540-66-3795		FIRM CRD#

1. Name of Other Business: LANCORP FINANCIAL FUND BUSINESS TRUST		Investment-Related Business? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
2. Address of Other Business: 1382 LEIGH CT		City WEST LINN	State/Country OR USA
3. Nature of Other Business: PRIVATE PLACEMENT FUND		ZIP 97068	
4. Your Position, Title or Relationship with Other Business: CEO - TRUSTEE		5. Start MM DD YYYY Date: 5 / 14 / 2004	End MM DD YYYY Date: / /
6. Your Obligation to Other Business: Approximate Number of Hours/Month: 10		How many during securities trading hours/month? 0	
7. Briefly describe your duties relating to Other Business: OVERSEE FUND MANAGER AND CPA FIRM			

1. Name of Other Business:		Investment-Related Business? <input type="checkbox"/> Yes <input type="checkbox"/> No	
2. Address of Other Business: Street		City	State/Country Zip
3. Nature of Other Business:			
4. Your Position, Title or Relationship with Other Business:		5. Start MM DD YYYY Date: / /	End MM DD YYYY Date: / /
6. Your Obligation to Other Business: Approximate Number of Hours/Month:		How many during securities trading hours/month?	
7. Briefly describe your duties relating to Other Business:			

MONTH (MM) MAY	DAY (DD) 3	YEAR (YYYY) 2004	SIGNATURE OF APPLICANT 
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